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ADDRESS

TO THE

PRESIDENT OF THE UNITED STATES

AND TO

U. S. SENATORS AND REPRESENTATIVES,

AND TO THE

PEOPLE OF THE REPUBLIC,

BY A CITIZEN OF NEVADA

BEING AN APPEAL FOR PERFECTING THE GREENBACK, AND
ENLARGING ITS VOLUME, AFTER CONSTITUTING IT

NATIONAL SPECIE PAPER

PROTECTED BY

A SPECIE-DRAIN GUARD.

HINTS ALSO ARE SUBMITTED FAVORING A BANKING SYSTEM FOR LOCAL CURRENCY
WHOSE NOTES WILL SIMPLY CERTIFY SECURED CREDITS IN BANK,
AVAILABLE FOR THE DEPOSITOR OR HOLDER
OF THE NOTE.

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1877.

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1910-1911

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TO THE READER.

The following articles, contributed originally to the Virginia City *Enterprise*, are reprinted under the same sense which caused them to be written—one which made it seem almost a crime to do nothing curative, while witnessing paralysis steadily creeping upon the whole nation, bringing in its train idleness, misery, demoralization and despair.

Under such circumstances even poverty can scarcely absolve any one from effort, in making which everything favorable to success seems needful to observe. Sensitive to criticism, the author has often concealed his personality in communications for the press; but observation has convinced him that such concealment outside of an editorial column is fatal to securing that definite reflection for action on the part of readers, which a simple personal avowal of new convictions is adapted to beget and elicit, upon which progress itself largely depends. To these papers he therefore appends his name.

The wreck of many by usurious interest, and of many more by that alternating expansion and contraction of American currency which marks the past, at length has made it plain to all, that both labor and productive capital must be rescued from the uncertainties of money measures past, lest Freedom—so-called—be perpetuated as a slavery of the masses to the few, and of tributism by moderate fortunes to giant wealth; a slavery as much more galling than that of the cotton-field and lash as its victims are less able to endure privations, while at the same time, through culture, they are as well convinced of their right to an equal voice in the Republic with their masters as they are sensible of humiliation in not daring to exercise their rights for the equal good of all, lest they be proscribed and ruined by those who hold the keys of the kingdom of coin.

The elements felt to be needful in the money of the future are, definiteness of value—meaning; abundance of volume widely diffused, with consequent low interest; stability in abundance infallibly secured; uniformity in cheapness of interest, attained by some effectual self-acting device. It is believed the money-scheme herein outlined meets these demands.

Any one can forward the author's views by simply avowing them as his or her own on all proper occasions: better still, by urging them upon the consideration of Congressmen by letter. But the independent press is the great lever of modern life whose demands become omnipotent in law.

On the contrary, if deemed pernicious, these views can be best corrected by fairly stating them and then exposing their points of error. Truth is steel. Error is flint. Struck together the result is often LIGHT.

CONRAD WIEGAND.

Virginia City, Nevada, August, 1877.

TO THE HONORABLE

MEMBERS OF THE

COMMISSIONERS OF THE LAND OFFICE
WASHINGTON, D. C.

Very respectfully,
I beg to acknowledge the receipt of your letter of the 10th inst., in relation to the matter of the purchase of the land for the proposed site of the new building for the Department of the Interior, and to inform you that the same has been referred to the proper authorities for their consideration.

I am, Sir, very respectfully,
Your obedient servant,
J. M. Smith

Very respectfully,
J. M. Smith

Very respectfully,
J. M. Smith

CONTRACTION THE ROAD TO DESTRUCTION.

A MONEY AMENDMENT TO THE CONSTITUTION NEEDFUL.

When pursuits having for their object the production of everything necessary to human life and comfort have been established in any country, debt having been paid, material prosperity consists solely in the employment of the people in production, and in their exchange of products with each other and the world.

No single fact exerts so important an influence over the interchange of products as the accessible abundance or scarcity of money, although next in importance to that is the quality of money in use, which depends chiefly upon the stability in value of that substance selected to be the standard of value.

The commercial stress and industrial wreck which the demonetization of silver has effected in Europe and on our own Pacific coast has produced its dire results solely by diminishing not only the amount of specie available for European and American use by nearly \$1,000,000,000, but by abolishing along with that vast volume of specie money a more immense mass of bank credit based thereon, which, abolished, in turn has made it necessary for individuals to deny credit on their books to others who in ordinary times would be sure to receive it.

Again: So long as the volume of greenbacks at the east was large, prosperity reigned; even when half a million men were withdrawn from production to serve in war, and despite the fact that taxes for their support, direct and indirect, were immense. And this prosperity was actual, despite the fact that a greenback dollar had only the purchasing power of fifty cents in gold; or, in other words, that prices were "inflated."

As our constitution recognizes coin only to be dollars, the less value of the greenback at length came to be regarded as a proof that greenbacks were not good money. Indeed, the question was raised before our national supreme court, whether they were money at all under the constitution. The decision was, that as a necessary war resort they were a constitutional creation, but as promises to pay dollars they must be redeemed in coin, and that the time for redemption Congress only can determine.

As this decision settled the fact they may still be used for money, from that time for-

ward great efforts were put forth to make them equal, in purchasing power, to gold; that metal being assumed to be the true standard of value.

Two methods of so doing were open. One was to establish in the treasury a gold fund, and, while keeping them in existence and use, maintain them simply convertible to gold, which would be practicable only after adopting such import regulations for commodities as would render the exportation of bullion unnecessary. This plan was not chosen.

The other method was to make them so scarce, in comparison with the needs of the people and of the banks for legal tender money, that they would become worth as much as gold. Without any import regulation designed to accumulate gold to take their place, this method was chosen and is now being persisted in. The result is, the same business paralysis at the East under paper money which the Pacific states experience under gold, in common with all countries which use gold only as their standard of value, and as their basis for paper money and for bank credit.

The obstacle to ordaining a specie conversion fund, designed to perpetuate the greenback while transforming it to specie paper, guarded as the country would then need to be from specie drain, is the fact that the constitution does not expressly sanction a permanent provision for legal tender paper money.

But, when it is true that the avowed object of the constitution is to promote the general welfare, or to secure the prosperity of the people, and when we have it in our power to amend its provisions from time to time, so that they will always be adapted to insure its main aim, nothing can be more plain than this. We need a money amendment to our national charter, which, while it will secure to us specie as our *standard* of value, will at the same time secure, besides specie money, a volume of paper money equal in purchasing power to specie, and which shall be so maintained by being kept convertible thereto; which volume shall be regulated from time to time by Congress in order to maintain a supply adequate to the whole country's needs.

Why choose the specie standard rather than gold?

PROSPERITY IN FRANCE.

A CONTRAST WITH ENGLISH, GERMAN, AND AMERICAN DISTRESS.

In the preceding paper it was shown that hard times in Europe and America began with the demonetization of silver, by which, along with the virtual loss of nearly \$1,000,000,000 worth of specie money, a more immense mass of bank credit based thereon melted away.

Such an unparalleled money contraction was made worse for America by a diminution in the volume of greenbacks, designed to make them equal in purchasing power to gold by making them scarce. In other words, while the use of money is to promote prosperity and happiness, prosperity and happiness have been sacrificed to prove a proposition which no sane man would deny, that distress can make the purchasing power of paper equal to gold; and the Secretary of the Treasury proposes to raise the value of silver coin to par with gold, not by monetizing the metal coined, but by a like distress for silver coin also.

If there is in the mind of any one a doubt that this contraction is the underlying cause of hard times, it should be dispelled by the comparative prosperity of France, in which no such contraction has been suffered to come; for she has not demonetized her coined silver, and she maintains, in addition to a large volume of both gold and silver, an extensive paper circulation; and her prosperity, the more remarkable and instructive because following immediately in the wake of a crushing war, and that war followed by the actual payment of a vast indemnity and tribute to Germany, is in bold contrast with the financial and industrial wreck alike of Germany, England and the United States, in which countries the great contraction has taken place and is now going on. The German demand for gold, and anticipation for American needs, straighten England.

It is true that the paralysis of other nations impairs the prosperity of France, for her foreign markets are so broken that her foreign sales are shortened; nevertheless her own home market is healthy, because her producing classes have work and are able to interchange their products with each other.

The reason the producing classes there have work is, there is so much money in the country that all property owners—land owners, factory owners, etc.—are able to ob-

tain all the money they need to advance as wages to those whose labor is creating values, and that, too, at a low rate of interest; so are merchants able to borrow both largely and cheaply.

Furthermore, no Frenchman has a fear that the French government will adopt such import duties as will force specie abroad to pay for goods. Industrial and commercial confidence therefore prevails, as it cannot permanently in our country until our constitution shall add to its present provisions (which plainly recognize the specie standard of value) a requirement that an abundance of legal-tender convertible specie paper shall be furnished to the people as instruments of exchange and for the payment of debts; and that the country shall be guarded from a drain of specie itself.

Henry C. Carey, in his evidence before the money commission, gives some very instructive facts pertinent to this question. They refer to the money of France in circulation, and outside of bank vaults:

| | |
|---|-----------------|
| Gold circulation in France, 5,000,000,- | |
| 000f. or | \$1,000,000,000 |
| Silver circulation in France, 1,500,- | |
| 000,000f. or..... | 300,000,000 |
| Bank-note circulation in France, 2,- | |
| 500,000,000f. or | 500,000,000 |
| Total..... | \$1,800,000,000 |
| Population..... | 36,000,000 |
| Average circulation for each inhabitant..... | \$50 |
| The square miles of France are..... | 204,000 |
| Averaged dollars for each square mile (all settled) | \$8,824 |

The money of America may be stated as follows:

| | |
|--|---------------|
| Gold | \$180,000,000 |
| Silver..... | 10,000,000 |
| Fractional silver and currency..... | 40,000,000 |
| Legal tenders..... | 370,000,000 |
| National notes..... | 320,000,000 |
| Total..... | \$920,000,000 |
| In vaults of national treasury and of banks..... | \$340,000,000 |
| In circulation..... | \$580,000,000 |
| Population..... | 44,000,000 |
| Average circulation for each inhabitant..... | \$13.20 |
| Square miles in the United States, 3,000,000; settled..... | 1,000,000 |
| Average dollars for each settled square mile..... | \$580 |
| In France each square mile has on average..... | \$8,824 |
| In America each square mile has on average..... | \$193 |
| In America each individual has on average | \$13.20 |
| In France each individual has on average..... | \$50.00 |

In France, silver and paper circulate on a par with gold. In America, both silver and paper are at a discount.

In France there is prosperity; in America there is adversity.

The cause of prosperity in France is her stable abundance of stable-valued money.

The cause of adversity in America is the lack of such an abundance of just such money.

The cure for it must be the restoration of the specie standard of value, and basing thereon an abundance of legal tender paper money, kept equal in value to specie by being ordained convertible thereto, and so kept, not by bursting banks, but by the most responsible of all corporations, the government itself.

The preliminary steps to this must be an amendment of our constitution authorizing such a system and the institution of a self-acting, specie-drain guard, whereby a comparatively small amount of specie will standardize a large amount of paper.

If the figures and prosperity of France show anything, it is that America needs \$2,500,000,000 of specie-valued paper; and if the government should furnish \$1,000,000,000 of it, a system of banking could be instituted under national regulation which would not only furnish the remainder, but would furnish it both when and where it might be needed. But, without the institution of a specie-drain guard, the needful enlargement of money volume, whether by the government or by banks, must result in such an increase of prices as would cause foreign goods to undersell our own, resulting in specie exportation and in an inconvertible system of paper money, whose purchasing power would be standardized alone by imagination, and by the difficulty there will be in obtaining it for use.

July 1, 1877.

[Editorial Reference.]

TO THINK ABOUT.

In another column is a communication whose author believes there is not money enough in the United States for the legitimate wants of the people, and makes some showings which we fancy it will do no one any hurt to examine closely. France is acknowledged to be the most prosperous country on the face of the earth. This prosperity cannot all be ascribed to the advantages which France possesses from the fact that she has a monopoly of certain manufactures and has one or two products which are yielded in no other land. She has such a surplus of hoarded wealth that her capitalists are satisfied with small interest, and are ready to engage in any enterprise which promises with reasonable certainty more than three per cent. per annum. The result is that all the resources of the country are made to yield their profits, and those who work do not have to support as many more who will not work, or who, if willing, can find nothing for their hands to do. And France, by law, makes fifteen and one-half ounces of silver equal to an ounce of gold, as money. She does this, too, only just across the channel from England, which says that silver is no more money; and right beside of Germany, which is starving its people to establish England's theory. And yet France is not drained of gold, and money sharks say the United States would be were the government to deal honestly by silver. On the other hand, she has more in her vaults than any other country on earth, except Great Britain. It strikes us that this showing is worth the consideration of our public men. Besides her gold and silver, France has also plenty of paper money, but is careful, save in the stress of a great war, to keep her finances in such a shape that the holder of paper money can at any time change his paper at par for gold or silver. France seems to work upon the plan that there cannot be too much good money within her borders. Sometimes statesmen teach the people; oftener, however, they get their ideas from the people. We commend the facts of our correspondent to the careful consideration of our readers.

NATIONAL SPECIE PAPER PROTECTED BY A SPECIE-DRAIN GUARD, AND SUPPLEMENTED BY LOCAL BANK CREDITS, ATTESTED BY INCONVERTIBLE CIRCULATING NOTES.

In the foregoing papers it has been shown that the chief cause of prevailing "hard times" in America is an insufficiency of specie-valued money. France, with a smaller population, has a much larger volume of money—gold, silver and paper all circulating at par with each other; and there comparative prosperity prevails.

Our troubles seemed to begin with the effort to make our national paper equal in value to gold; for contraction of its volume was the method selected for that end.

The obvious method of instantly raising

greenbacks to a par with gold is to ordain them convertible thereto, thereby making them acceptable currency for the whole nation; but that method is not now resorted to, because the constitution does not clearly authorize a permanent system of legal-tender paper money, whether convertible to specie or not. The distress of the country, however, is so great that immediate relief has become an imperative necessity. Or if an immediate relief is not possible, the speediest obtainable relief should be sought.

An enlarged volume of specie-valued

money is the object to be attained. Two courses thereto are possible. One is to wait till the utter inability of our people to buy foreign-made goods shall result in a large accumulation of specie in the country. The other is to amend the constitution so as to require Congress to furnish legal-tender paper money, kept convertible by the government to specie.

Tardy as is this latter method, it is preferable to the former; for that would be more tedious still. Besides, with the present heavy foreign interest dues—national, state, municipal and corporative—it is doubtful if it would ever succeed. And if it should, as it can be operative only through the misery of the people, that fact of itself should condemn it.

The other method—that which would require Congress to issue and maintain specie paper in large volume—of necessity implies a perfectly reliable safeguard against a drain of specie from the country in payment of foreign dues. The question, therefore, is a pertinent one. Is such a safeguard feasible?

There are many who believe it is. A number of devices could be brought forward, each having special merits. But that scheme which seems most fully to meet all the many requirements of the case may be summarized as follows, not the least merit of which is, that it is self-acting, and that, while it is essentially a system of paper money, its adoption involves no surrender by the Pacific coast states of the principle for which we have always contended, that our money must always be of the full value of coin, nor does it demand that silver shall be made an unlimited legal tender for debt.

Although a strained construction of the constitution might afford constitutional warrant for its institution, under the power granted to Congress "to regulate the value" of coin, an unambiguous money amendment would seem safest and best; at least it would were it not for the prevalent distress of the people demanding the earliest possible relief.

A SPECIE-PAPER MONEY SYSTEM.

1. Ordain both gold and silver coinable, at cost, without limit, and for all owners, to money of full weight, the silver dollar to weigh sixteen times the weight of the gold dollar.

2. Furnish coin owners storage for their coin in the national vaults, issuing gold storage notes (in money form) in exchange for gold coin, and silver storage notes in exchange for silver coin, the lowest denominations being for \$10, and each convertible, without charge, "in kind."

3. Deny to both gold and silver coin all legal tender attributes, except for dues to the government, and by the government for interest dues.

Why?

First—To make it evident that gold and silver, legally inter-related as specie, are

adopted solely as our legal standard of value and not as legal instruments of payment, either for cash purchases or when debts, dues and penalties are enforced by law. In other words, to make it plain that specie is to be the *basis* of our money, but not our money itself; and that coinage is designed simply to assure a definite and precise value in the coins.

Second—To incite as powerfully as possible to the storage of coin with the government, not only to save the coin from all avoidable wear, but that the amount stored in the national vaults may become an infallible basis for determining when it has become necessary to check importation of foreign goods in order to prevent a specie drain.

But, it may be asked, if coin is denied all legal tender, will not that denial prevent its use for money altogether?

The answer is, no. Coin possesses its value within itself. It therefore does not need authority to make it circulate in small quantities. In large quantities it could be exchanged for paper. No one should be obliged to receive as money even so cumbersome a commodity as gold, much less silver, when more convenient convertible paper can be substituted for sums of \$10 and over.

4. Ordain gold and silver storage notes receivable by the government in payment of all dues, on an equality with coin. Although, like coin, denied all other legal tender qualities, equally with coin they should be ordained convertible at the Treasury, on demand of private owners only, to greenbacks, whose present legal tender should remain unchanged.

This convertibility, without legal-tenderism, would make them current equally with legal tenders, just as national bank notes are now current equally with greenbacks.

5. Obtain and set apart, in the national treasury, a specie fund, to be known as the legal-tender conversion fund, ordaining greenbacks convertible on demand to specie payable from this fund, but subject to a small discount, designed to check capricious conversion, and designed also to pay for keeping all kinds of national notes in repair.

The amount of this fund should be later considered.

Greenbacks, when paid, would not be destroyed, but would be reissued.

6. To replace the coin paid out of this fund, in conversion, a special tax should be imposed on all imports, to be known as the conversion-fund tax.

For a beginning twenty per cent. of the amount of customs might be a proper conversion-fund tax, or a special specie-protecting tariff might be levied. In either case, without extra cost, it could be collected by the custom-house officers along with customs.

7. In order to constitute the conversion-fund tax a specie-drain guard, self-acting in character, whenever the amount of coin in the conversion fund should fall \$5,000,000 below the amount prescribed by law the tax should be doubled, and daily statements of the state of the conversion fund should be published.

If at the end of one month the sum prescribed to be in the conversion fund should not appear, the tax should be trebled, and so on in successive months until the ordained amount should be acquired, when the extra tax should be diminished as gradually as it had accrued.

8. Assuming that, until our national debt be paid, the product of our gold and silver mines should be made to accumulate in the country as a basis for money, in like manner whenever \$5,000,000 less than the proceeds of our gold and silver mines, reliably ascertained, should appear on store in the treasury for private owners, the conversion fund tax should be doubled, and further augmented, from time to time, till the amount mined should appear on store.

9. With \$350,000,000 of greenbacks outstanding, the amount needful to start the conversion fund in practical operation probably would not exceed \$35,000,000; for when it would be known that a depletion of the fund would be impossible, and consequently that greenbacks would be infallibly maintained convertible, no one would desire their conversion. The entire volume of money needful for circulation would be kept in the hands of the people and of the banks, as greenbacks, because more convenient for counting, handling, and transportation than coin, and because of their exclusive legal tender character, and because conversion would be attended with discount, though the conversion of storage notes would be free.

But as \$350,000,000 greenbacks is wholly inadequate to the people's needs, of which "hard times" are the proof, Congress should ordain an additional issue of \$10,000,000 monthly of convertible legal tenders, and at the same time an increase of \$1,000,000 to the conversion fund, till not only interest would be cheapened, but till those who alone can profitably be intrusted with loans would be deemed safe by the banks to lend to.

The ultimate greenback circulation should be fixed by Congress at so much per inhabitant, increasing the conversion fund as the volume of money augments, and the prosperity of the country would in a few years recall from Europe all our bonds, and the national debt would melt as by magic.

10. As no fixed amount of money could make money equally easy to obtain at all seasons of the year, and as a mere fixed amount of money in the country at large cannot give that abundance of currency in

each locality which is needful to diffused prosperity, the national specie-paper system would need to be supplemented with a banking system adapted to this end.

If the system to model our own after is not found in the Scotch banking system, it certainly is to be seen in the Bank of Venice, which, founded in 1171 upon the credit of the state, but afterwards receiving coin deposits, flourished till the republic itself was overthrown by the arms of France in 1797.

Credits in that bank, and paper representing such credits, for centuries bore a premium as money over coin, notwithstanding the marked peculiarity of its system, named below.

Deposits in the Bank of Venice, instead of being PAYABLE in coin, were simply TRANSFERABLE from one party to another on the bank's books. This also was true of the Bank of Amsterdam, whose paper also bore a premium over coin.

Provided the country were impreguably guarded from specie drain, and provided also an abundance of specie paper, everywhere convertible, were furnished by the nation, real estate could safely be made the basis of local bank credits, and those credits, like those of the Bank of Venice, could be certified by notes issued in money form, the inconvertibility of which to coin would not lessen their value as local currency, especially when coin itself would not be a legal tender, and when coin owners, in order to make coin a legal tender, would be obliged to surrender it to the government in exchange for greenbacks.

This device of protected national specie paper, supplemented by nationally-regulated banks, whose circulation would necessarily be local, because available for use only at the bank of issue, and the volume of which would always be ample, because based on real estate, could not fail to beget local thrift, not only by supplanting the system of credit sales on book account, which now so often ruins so many, but by precluding high rates of interest. This would incite, in the first place, to the possession of real estate, and largely enhance its value. Next, it would prompt the establishment of every kind of industry which would promise to pay better than interest in a market where money is abundant.

The establishment of manufactures everywhere, and yet nowhere on a mammoth scale, would give living wages to all willing workers, who, with money in their hands, would create active retail cash traffic in the stores, from which wholesale houses would reap harvests, as farmers would, also, from numerous home markets. Everywhere, North and South, East and West, prosperity would go, and with it happiness, hope, culture, self-respect and moderate wealth.

Utopian?

In America nothing conceivable is Utopian. In other lands to map out schemes for improvement may be a waste of time. In America it is not. In our land there are powers accessible which can be made quickly to tell on legislation. The press leads. The ballot, too, is important. But both of these are more or less public. There is a more private one that tells promptly. It is a sheet of paper, a thimbleful of ink, a pen, an envelope, and a three-cent postage stamp. It is a power that women can wield as well as men, and the poor as well as the rich—it is simply writing to Congressmen earnest letters.

If the Congressman addressed be not a dolt or arrant scoundrel, he then begins to think for action. He will see he must, or go under.

Threats are contemptible. Earnest argument, which convinces and educates both the writer and the receiver of the letter, will effect far more.

In America, the governed govern. At least, they may if they will. If we long suffer, the fault is our own. It is stupid to suffer, and not surely find out why and precisely how. And having found out, let us give our Congressmen no peace or rest till they have devised and enacted effectual measures of relief.

July 15, 1877.

[Editorial Reference.]

KEEP SPECIE AT HOME.

At a time when business depression is so widespread, and all instinctively feel the money question underlies it; when at the East financial discussions are no longer in the mouths of mere demagogues, but are taken up by the most earnest business men for self-salvation, and by students and philanthropists as the only means adequate to the relief of suffering; when the Administration hesitates in announcing a financial policy, and the report of the Money Commission has only been foreshadowed, thoughtful contributions to the question from the people should be sought and prized. On our first page, to-day, Conrad Wiegand concludes his recent series upon money, under the heading of "Specie Paper and a Specie-Drain Guard." His communications are never trite, and the changes of position taken from time to time are only those which always mark the advancing convictions of a pertinaciously-patient student. Appearing anonymously, with but slight enlargement, in our great Eastern quarterlies, his articles would attract attention, and sooner or later some of his many germinal suggestions must bear fruit. His present communication opens up a wide field of thought. As we have read this article, one omission in the national constitution seems to us more and more singular. Why is it that, in ordaining gold and silver to be the sole national money, did not our constitution ordain, also, some provision for attaining and retaining a volume of such money as would be adequate to the people's needs? All the numerous bank suspensions of specie payment have grown out of this omission, and had there been any proper safeguard against specie drain the greenback

would never have become a necessity. Again: Why should there be only a little over \$200,000,000 in specie in our country now, when the fact is indisputable that California has added \$1,400,000,000 of gold to the world's stock of specie since 1849, and when Nevada has added her \$350,000,000? These vast volumes have been exported to Europe, leaving their mere dregs and shadows in our own country, drawing from ten to forty per cent. annual interest. It is true that in parting with our gold and silver we have gained cloth, wines, silks, iron and other goods. But when we pay gold for goods, we buy that which becomes largely waste by slight use, paying for it a commodity which retains fully and completely its value so long as any portion of it remains in sight. Grease or tear a garment, or wear it threadbare in a single spot, and the whole cloth, together with all labor expended on it, is lost. Mar a coin, and the bullion is just as valuable. Wear it half out, and the remaining half is as valuable in proportion as the original coin. Goods paid for abroad by goods produced at home are an even exchange. Paid for in bullion, the country loses monetary life blood as well as exchanges commodities; for in America coined bullion alone is constitutional money. Its loss to the nation adds vastly to business friction, and fails to augment interest only because the loss paralyzes business and bankruptcy prevents borrowing. Thereupon, money lenders do not know who can be safely trusted with loans, and the paradox appears of a large amount of money idle in banks, with distress and want environing it, and all because there is not money enough to make active business safe. If a "specie-drain guard" were established, except as a great convenience over cumbrous coin, whether gold or silver, we do not see the necessity for a gold and silver producing country to ordain paper money. But the point which Mr. Wiegand makes is this: A large volume of specie paper can be created far more speedily than a large volume of specie can be gained through a simple balance of trade in our favor, and the necessity is pressing. He might have gone further, and also have said that the whole world does not yet contain enough of gold and silver to make interest as cheap as it must be to insure universal prosperity. Instead of advocating the abolition of the greenback, or of raising its value to a par with gold by creating a ruinous scarcity, he therefore urges improving its character by making it convertible to coin as soon as a constitutionally ordained specie-drain guard would make that course practicable. Having converted them from being mere indefinite promises of coin, and from being simple fiat money, he would increase the volume of greenbacks, and incite to the storage of gold and silver coins in the national treasury, issuing in exchange therefor gold and silver notes payable on demand in kind; the chief intent of which would be to enable the people and the government to be infallibly apprised of when our foreign exports need restriction to prevent depleting the country of specie. One thing is certain: In some form or other the money of the East will always be paper. Another fact is equally sure: When Eastern paper shall become equal in value to coin, it will become the money of this coast just as it is the money of the East. Is it not then better to aim at transforming the greenback to specie paper, and to secure to the whole country an abundance of it, thereby disarming national bank opposition to

specie resumption, than forever to exclude ourselves from the benefits of the great capitals of the East, merely because the East will represent its coin by paper, while we prefer coin naked? While there are many whose necessary engrossment in business prevents protracted thought upon the money question, and while there are always a cynical and shallow few who deem it a sure proof of compound error and conceit for any one to propose a change in the form of money which they have become accustomed to, we believe there is no community in the whole land where, in proportion to the numbers of its cul-

tured classes, so many are to be found who are able to distinguish between the random propositions of a mere restless mind, to which simple novelty is enjoyment, and the logical propositions of a critical analyst and observer, and a broad generalizer of forces and facts for use, who cares less for mere verbal consistency with former words than to strive with nervous earnestness for even unlikely good to all. Such a man, from close observation, we believe Mr. Wiegand to be, and as such we habitually commend his communications upon the money question to the attention of our ablest readers.

PROPOSED CONSTITUTIONAL AMENDMENT.

ARTICLE XVI.

SEC. 1. Congress shall have power to institute and maintain paper money of either universal or qualified legal tender, and in volume sufficient for the exigencies of war or the needs of peace.

SEC. 2. When paper money shall be ordained a legal instrument for the payment of debt, congress shall maintain the same convertible to specie; and in order thereto shall establish a specie conversion fund, maintained by a special importation tax upon foreign products, from which bullion shall be exempt. [This specie conversion fund shall be kept in the vaults of the national treasury.]

SEC. 3. When demands upon this fund for the conversion of paper money shall become large, the import tax shall be increased, in accordance with rules to be prescribed by the Treasury Department, so framed as to check excessive importation before it results in a serious depletion of the conversion fund.

SEC. 4. In order to maintain the specie standard of value at all times in the United States, whatever instruments for the lawful payment of debt and for effecting exchanges may be ordained, Congress shall at all times coin gold and silver for the owners of those metals, at no greater charge therefor than the cost of manufacture, and each on an equality with the other, and without limit or delay. But fractional parts of the dollar in silver, shall be coined only for the treasury, under-weighted sufficiently to prevent their manufacture into plate or their foreign export. But such coin shall be redeemed by the government on demand on the same terms as those established for its issuance [that neither the people nor retail dealers shall suffer loss].

IN CONCLUSION.

In ordinary times, and so long as evils connected with money which we are accustomed to are endurable, any new money scheme will be viewed with popular dis-

trust, no matter how great its seeming merits.

But the present is no ordinary time. Rooting in fiscal fault, anarchy is threatened. Martial law can save us for the time, but that is itself liable to result in despotism as a fixture. Strikes and riots in all lands are fearful, but in our own, long protracted, they are fatal to the government itself.

We are compelled to make a change; for, while our constitution points plainly to specie as American money, the war gave us a paper system necessarily made a legal tender for debt.

Despite its single defect—inconvertibility to specie—it proved a better currency than the old state bank issues; which, though nominally convertible, never were so in fact for any length of time. They could not be so maintained, simply because the banks possess no such power as Congress does, to restrict importation whenever it becomes so large as to create a foreign demand for specie. At such times the banks were obliged to refuse loans to business men, who in consequence failed, though their assets often largely exceeded liabilities.

But has Congress the power in time of peace to ordain paper a legal tender for debt?

The individual states are denied that power, while Congress is not. Nevertheless, Congress is not as yet expressly endowed with it. Yet as the contraction of legal tenders has produced a business paralysis which contrasts with the prosperity prevalent so long as their volume was large, and which contrasts also with the prosperity of France under a maintained large volume of money, the following facts have become plain.

1. Congress should be expressly empowered to ordain paper money a legal tender for debt in time of peace.

2. To maintain the spirit of existing constitutional money provisions which estab-

lish the specie standard of value, and at the same time to secure to the people all the benefits of an abundant paper money kept convertible, Congress should be required to cause importation to check itself whenever it threatens to deprive the nation of specie needful to maintain the convertibility of paper money whose volume has been made self-adjusting to business needs.

3. As the maintenance of specie value to paper by the banks in times past has proved ruinous to business, and must again if entrusted to their hands, and as the maintenance of specie value in paper is for the equal good of all, two facts follow:

First. All the people—that is, the government—should provide the specie needful to maintain convertibility.

Second. The least specie that can be made to answer the purpose should be provided and maintained. Consequently conferring legal tender qualities upon paper, itself kept convertible to coin, should be coupled with denial of legal tender qualities to coin itself, which Congress is not constitutionally prohibited from doing; for such denial would tend powerfully to lessen the demand for specie. A smaller volume would therefore be needed to maintain convertibility.

The foregoing scheme would meet the case. It is not speculative or doubtful. It is new only in the combination of its parts; every feature in one form or another has been tested by trials of centuries. It possesses the great merit of furnishing a single currency for the Atlantic and Pacific States, where now coin only is current in one place, and paper of a differing purchasing power in the other, yet both are a legal tender. It offers immediate relief to prostrate industry, and food to starving men and

women, now verging on riot for bread. It should have no foe but the hobby-rider, and those foreign money lenders who have plotted to wreck the world for their own aggrandizement, by the demonetization of silver in order to produce such a gigantic contraction in the volume of specie money available for the Western world as history affords no parallel to. The banks should be its friends, for it would help the banks help the people to become small capitalists themselves, and render the whole nation as independent financially of the rest of the world as is France.

Reader, will you not once more read this little pamphlet, and this second time with less of curiosity than of interest or semi-respect? Nay, will you not read it the third time, and ponder it, remembering that in America the governed may govern if they will? You are one of the governed. Exercise your heaven-born right to rule.

There is no mystery in money. It is obscure only to those who do not ponder it. Patience is the only need. Patiently ponder the views submitted. Fairly state them, and correct their errors if you see them. If not, believe in them, not for a mere creed, but for action, to give them vitality by enactment into law. Have faith in your own convictions, for on such faith the progress of mankind depends, when applied to practical affairs. The hopes of mankind, your own and your children's, hang upon the peaceful upliftment of labor to independence, to honor and to rule. Some such system of money for the people as the foregoing is needful thereto. All else will follow. Will you not help, and now?

CONRAD WIEGAND.

Virginia City, Nevada, August, 1877.